6 May 2007

Press Release

Arig posts net profit of US$ 7.6 million for 1st quarter 2007

Manama: Arab Insurance Group (Arig) announced a net profit of US$ 7.6 million for the first quarter of the year (Q1 2006: US$ 8.0 million) supported by strong underwriting performance and good investment earnings.

Gross premiums written grew by 10% on the back of significant growth in new business from markets in the Far-East and Sub-Saharan Africa. Arig's traditional Middle-East and North African markets also recorded reasonable growth despite non-renewal of several underperforming or inadequately priced accounts. The Group's Islamic subsidiary Takaful Re also continued to expand its market position with Participant's gross contributions growing to US$ 9.2 million (Q1 2006: US$ 2.3 million).

Shareholder's equity at the quarter-end was US$ 279.8 million after dividend of US$ 22 million for the year 2006 with the per share book value of US$ 1.30 reflecting a gradual increase over the year-end 2006 post dividend book value.

Financial Highlights as at 31 March 2007

(US$'000)

	31 March		Year
	2007	2006	2006
Gross premiums written	92,997	84,504	166,304
Underwriting result	3,672	4,096	8,066
Investment income	9,000	11,445	38,377
Operating expenses	5,590	5,001	24,188
Net profit	**7,638**	**8,015**	**30,366**
Investment assets	681,777	659,879	674,272
Net technical provisions	416,764	391,111	361,219
Shareholders' equity	279,786	269,250	293,396
Total assets	1,010,386	956,081	930,176
Book value per share (US$)	**1.30**	**1.24**	**1.36**

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